



Department of Ecology

2005-07 Capital Budget

Ecology's capital budget is used to meet both local community needs and state environmental goals by investing in local infrastructure projects. The \$396 million final legislative budget for the 2005-07 biennium is almost entirely focused on funding local community infrastructure needs. Only a little more than \$.5 million of the total budget is for properly maintaining agency-owned facilities.

To address emerging needs, this budget uses \$8.2 million for drought relief, and \$2.76 million to address dissolved oxygen problems in Hood Canal.

Because the Water Quality Account has more demands on it than can be supported from the current fund balance, and Referendum 38 dollars are fully committed, this budget utilizes more bond support than in previous years. This additional bond support from the State Building Construction Account is used to maintain the agency's commitment to providing grants for water quality projects, implement local watershed plans, and invest in agricultural water supply and irrigation efficiencies.

Due to record high oil prices, more revenue is available from the Local Toxics Control Account than in a typical biennium, thereby making available \$3 million for stormwater grants; \$2 million for an expanded grant program to retrofit public sector diesel engines to reduce emissions; \$60 million to cleanup local toxics waste sites; and \$14.2 million in Coordinated Prevention Grants to help communities reduce, recycle, and manage wastes.

Funding is also provided for infrastructure projects that ensure adequate water supply; maintain water quality; and manage waste in our communities.

Water for Local Communities and Healthy Watersheds

Ensuring Adequate Water Supply

Local watershed plans are currently being developed that cover 45 of the state's 62 Water Resource Inventory Areas (WRIAs), many of which will be completed during the 2005-07 biennium. Plans completed to date and draft plans call for new and rehabilitated capital facilities, water conservation projects, and acquisition of water rights to meet needs identified in the plans. Long-term solutions to the state's water resources challenges must be developed specific to the needs and opportunities of each watershed and for specific water bodies.

Watershed Plan Implementation and Flow Achievement ~ \$12 million from the State Building Construction Account ~ Thirty-seven local watershed plans (covering 45 WRIAs) are being developed using state grant funds issued under Chapter 90.82 RCW (Watershed Planning). As these plans near completion, they are identifying many capital needs, including new projects; rehabilitation of existing water systems; water conservation; water storage; metering; and acquisition of existing water rights for instream flow and other future needs. This budget uses \$12 million to finance capital projects and water acquisition for implementing locally developed watershed plans. These projects and acquisitions will help watershed units meet future water needs, while achieving recommended instream flows.

Columbia River Initiative ~ \$16 million from the State Building Construction Account ~ Funding supports a new water resources management program that provides ongoing access to water in support of community, economic, and environmental goals in Eastern Washington. The elements include feasibility studies related to off-mainstem storage projects and changing operations at the Potholes Reservoir; grant funding for the purchase and installation of water measuring devices; and water acquisition. \$10 million of the appropriation may not be expended prior to enactment of state legislation that establishes policy requirements for a new water resources management program for the Columbia River mainstem.

Sunnyside Valley Irrigation District Water Conservation ~ \$3.88 million from the State Building Construction Account ~ This includes resources for the state share (17.5%) of the Yakima River Basin Water Enhancement Project managed by the United States Bureau of Reclamation for conservation improvements. These improvements are required by the Sunnyside Division Water Right Settlement Agreement in the Yakima Basin Water Rights Adjudication (State of Washington, Department of Ecology vs. James J. Acquavella, et al.).

Water Irrigation Efficiencies ~ \$3.5 million from the State Building Construction Account ~ This appropriation provides new grants to conservation districts to assist the agricultural community in implementing water conservation measures and irrigation efficiencies in fish critical basins. There are ten conservation districts in fish critical basins throughout the state participating in the Irrigation Efficiencies Program. Conservation districts receiving funds manage each grant to ensure that a portion of the water saved by the water conservation measure or irrigation efficiency will be placed as a purchase or lease into the Trust Water Program (TWP) to enhance instream flows.

Maintaining Water Quality

The Water Quality Program administers a grant program (Centennial Clean Water Program) and a loan program (Water Pollution Control Revolving Account) using one funding application cycle for both funding sources. Grants from the Centennial Program are often packaged with the loans available from the Water Pollution Control Revolving Account to assist small hardship communities, leverage available local dollars, and fund the highest priority/highest return-on-investment local water quality improvement projects.

Centennial Clean Water Program ~ \$7.5 million from the Water Quality Account, 10.5 million from the State Toxics Control Account, and \$20 million from the State Building Construction Account ~ This grant program finances the planning, implementation, design, acquisition, and construction of water pollution control facilities and activities. For the 05-07 biennium, the appropriation amounts identified below are proposed and include specific dollars focused on addressing Hood Canal water quality issues:

- \$10 million solely for the extended payment grant to Spokane and Spokane County to protect the Spokane-Rathdrum Prairie aquifer.
- \$5 million for small communities with demonstrated financial hardship needs to construct new or upgrade existing sewer facilities.
- \$1.46 million for Hood Canal water quality projects.
- \$.8 million for lake management and cleanup activities at Long Lake in Kitsap County ~ \$750,000 and Wapato Lake in Pierce County ~ \$50,000.
- \$20.74 million for competitive statewide water quality implementation and planning grants and loans (a prioritized project list detailing local government proposals is available).

Phase II Stormwater Grants ~ \$3 million from the *Local Toxics Control Account* ~ Grant funding supports local government efforts statewide to assist in developing Phase II Stormwater programs necessary to meet state and federal requirements. Of this amount, \$300,000 is provided to address stormwater related water quality issues in Hood Canal (see below).

Water Pollution Control Revolving Account ~ \$239.6 million from the *Water Pollution Control Revolving Account* ~ This program provides financial assistance in the form of low-interest loans to local governments for high priority water quality projects. Since its creation, Ecology has used this loan program to make more than \$751 million available to local governments for planning, design, acquisition, construction, and improvement of water pollution control facilities. These projects result in cleaner water for fish, human consumption, and recreational use. Additional capacity is requested this year in anticipation of early loan repayments. Up to \$1 million of this amount is provided to address water quality issues in Hood Canal (see below).

Hood Canal Funding to Address Water Quality Problems ~ From the fund sources noted above, a total of \$2.76 million in new funding is proposed to address Hood Canal water quality issues as follows:

- \$1 million grant to design wastewater treatment facilities to serve the Hoodsport and Skokomish Reservation areas.
- \$1 million loan for on-site septic system rehabilitation and replacement programs in Mason, Kitsap, and Jefferson counties.
- \$320,000 grant to Mason County to develop a septic system data-base and identify failing septic systems.
- \$300,000 grant to Mason County to prepare stormwater management plans for Belfair and Hoodsport.
- \$140,000 grant to Jefferson and Kitsap counties to survey septic systems.

Managing Waste in our Communities

Grants for Cleanup and Prevention

Local governments are responsible for implementing local solid waste and recycling programs, including the new programs identified under the “Beyond Waste” Plan. They also are frequently required to address contamination discovered at publicly owned facilities. In addition, the effectiveness of these programs requires an informed local citizenry. A total of \$77 million from the Local Toxics Control Account is budgeted for the following waste management and toxic cleanup programs.

Remedial Action Grants for Cleanup ~ \$60 million from the *Local Toxics Control Account* ~ The state contains hundreds of hazardous waste sites that threaten the state's water resources, including those used for public drinking water, and many of our municipal landfills that are currently or potentially hazardous waste sites and present serious threats to human health and the environment. The costs of eliminating these threats in many cases are beyond the financial means of local governments and ratepayers. Based on site cleanup criteria and decisions made by the Toxics Cleanup Program, grants are made to local governments to clean up publicly owned contaminated sites and related work.

Coordinated Prevention Grants ~ \$14.2 million from the *Local Toxics Control Account* ~ The Solid Waste and Financial Assistance Program provides grant funds (Coordinated Prevention Grants) to local

governments for maintaining solid-waste-handling infrastructure and programs; reducing and preventing waste wherever possible; and increasing recycling and recovery of materials that are now discarded. For the 05-07 biennium, Ecology and its local government waste management partners are initiating implementation of the new statewide “Beyond Waste” Plan. The new plan provides additional emphasis on waste and pollution prevention. Of the \$14.2 million, \$4 million is targeted for local projects that implement the “Beyond Waste” plan (referred to as “Never Waste” in the budget), especially green building, organics reuse, and household hazardous waste management.

Public Participation Grants for Informing Communities About Cleanup & Prevention ~ \$800,000 from the Local Toxics Control Account ~ Public Participation Grants provide funding to citizen groups and not-for-profit public interest organizations. This supports community awareness and understanding of the cleanup of contaminated sites, and pollution prevention. This makes it easier for citizens to be involved in cleanup of hazardous waste sites and carrying out the state's solid and hazardous waste management priorities.

Safe Soil Remediation and Awareness Projects ~\$2 million from the State Toxics Control Account ~ The Washington State Legislature directed Ecology to form and support a stakeholder Task Force to consider the special challenges posed by widespread low-level lead and arsenic contamination caused by historic smelting and agriculture practices within the state. This proposal begins to implement Task Force recommendations by establishing a State Toxics Control Account capital appropriation. This appropriation (consistent with House Bill 1605) will enable the agency to address the health risks to children posed by arsenic and lead by providing a stable, flexible funding source for soil investigations and cleanup. Funding would also be used to contract with state and local school organizations to develop, integrate, and institutionalize cleanup actions and awareness measures within their jurisdictions, consistent with Task Force recommendations.

Grants for Reducing Diesel Emissions

Public Sector Diesel Engine Emission Control Retrofit Projects ~ \$2 million from the Local Toxics Control Account ~ This provides grants to local communities to retrofit public sector diesel trucks, transit buses, marine vessels, and non-road equipment. This program will reduce diesel emissions from individual diesel engines by up to 90%, depending on the type of technology and fuel used.

Investing in Ecology Owned Facilities

To properly maintain and fully use agency owned facilities, capital improvement dollars are appropriated for the project below.

Minor Works ~ \$555,000 State Building Construction Account ~ Minor works improvements to preserve state-owned facilities in Lacey and Spokane are proposed. Needed investments include replacement of the chiller, roof, and parking lot at the Spokane office. The Lacey facility needs stairwell renovation and exterior concrete and roof sealing to address structural problems and prevent water damage.